

**Portugal**

**1. National Recovery and Resilience Plans**

<b>Question 1</b>	How satisfied or dissatisfied are you with the way your country is implementing the national recovery and resilience plan?	Dissatisfied
<b>Question 2</b>	How satisfied or dissatisfied are you with the involvement of social partners in the implementation so far of your national recovery and resilience plan?	Neutral
<b>Question 3</b>	How effective do you think the European Commission is being in ensuring strong implementation of the reforms in the national recovery and resilience plans across the EU?	Somewhat confident

## 2. Assessment of Country Specific recommendations 2022 in detail

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 1	In 2023, ensure prudent fiscal policy, in particular by limiting the growth of nationally-financed current expenditure below medium-term potential output growth, taking into account continued temporary and targeted support to households and firms most vulnerable to energy price hikes and to people fleeing Ukraine. Stand ready to adjust current spending to the evolving situation. Expand public investment for the green and digital transition and for energy security, including by making use of the RRF, RePowerEU and other EU funds. For the period beyond 2023, pursue a fiscal policy aimed at achieving prudent medium-term fiscal positions and ensuring credible and gradual debt reduction and fiscal sustainability in the medium term through gradual consolidation, investment and reforms. Improve the effectiveness of the tax and social protection systems, in particular by simplifying both frameworks, strengthening the efficiency of their respective administrations, and reducing the associated administrative burden.	Important	Mixed	While we consider the recommendation to be excessively focused on the fiscal consolidation, the other elements of the recommendation are both relevant and important. The budget for 2023 is close to meet the recommendation. Public investment has been lower than budgeted. No progress regarding the effectiveness of the tax and social protection systems.
CSR 2	Proceed with the implementation of its recovery and resilience plan, in line with the milestones and targets included in the Council Implementing Decision of 13 July 2021. Submit the 2021-2027 cohesion policy programming documents with a view to finalising their negotiations with the Commission and subsequently starting their implementation.	Extremely important	Unsatisfactory	RRP milestones and targets have been met, but there are delays in the execution of several measures. There are also delays in the cohesion policy programming documents and its implementation.

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 3	Enhance the conditions for a transition towards a circular economy, in particular by increasing waste prevention, recycling and reuse to divert waste away from landfills and incinerators	Important	Unsatisfactory	Results of actions announced were not visible. For example, the simplification of the classification of a byproduct.
CSR 4	Reduce overall reliance on fossil fuels, including in the transport sector. Accelerate the deployment of renewables by upgrading electricity transmission and distribution grids, enabling investments in electricity storage and streamlining permitting procedures to allow for further development of wind, particularly offshore, and solar electricity production. Strengthen the incentives framework for energy efficiency investments in buildings. Increase electricity interconnections	Important	Mixed	Reduce overall reliance on fossil fuels, including in the transport sector: This recommendation implies critical social issues because energy transition must be fair and inclusive. Accelerate the deployment of renewables (...): Offshore wind is growing. Solar electricity production more than double each year. Strengthen the incentives framework for energy efficiency investments in buildings: Incentives have been created under the RRP, but we still have a long path to achieve energy efficiency. Increase electricity interconnections: Several agreements, but still no execution.

### **3. Reform Progress in your Member State in 2022**

How would you assess reform progress in 2022, for the following broad areas:

<b>Taxation and Public Finances</b>	Unsatisfactory
<b>Business environment (regulation/access to markets)</b>	Mixed
<b>Labour market</b>	Unsatisfactory
<b>Innovation and skills</b>	Mixed
<b>Access to finance and Financial stability</b>	Mixed

Is there any example of an economic reform, specific to your country that BusinessEurope could highlight in its 2023 Reform Barometer?

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#### 4. Reform priorities for 2023

	I. Policy Area	II. Concrete Recommendations	III. Are the proposed recommendations already in the agenda of your Government?
<b>Priority 1</b>	Venture capital and SME financing instruments	Address the need for business to strengthen their financial structure and recapitalize, through appropriate financial instruments	yes
<b>Priority 2</b>	Labour market mismatch and labour mobility	Prioritize vocational training, linking it with the labour market needs, deeply involving business associations and companies.	yes
<b>Priority 3</b>	Tax reforms	Reduce the tax burden on companies	no
<b>Priority 4</b>	Public sector efficiency	Increasing the efficiency of public administration and eliminate administrative burdens. Focus on improving judicial system (namely by capacitation of commercial courts)	yes
<b>Priority 5</b>	Job protection	Changes in progress and planned in labor legislation should be abandoned, as they go in the wrong direction.	no